

*Certified True Copy*  
*For Ajanta Tubes Limited*  
*Jagdeep Rai Jain*

**25th**  
**ANNUAL REPORT**  
**1998-99**

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**AJANTA TUBES LIMITED**

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## MANAGEMENT

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AJANTA TUBES LIMITED

### Managing Director

Shri J.R. Jain

### Joint Managing Director

Shri Swaraj Kumar Jain

### DIRECTORS

Shri S.R. Jain

Shri N.L. Jain

Shri S.R. Sen

Shri B.L. Manchanda

Shri Ravinder Kapur

Shri R.K. Thawani

### REGISTERED OFFICE

D-20, Connaught Place

New Delhi - 110 001

### Works

Jain Industrial Estate

36, Km., Delhi-Hapur Road,

Ghaziabad (U.P.)

### Auditors

B.K. Shroff & Co.

Chartered Accountants

3/7-B, Asafali Road,

New Delhi-110002

### Bankers

Punjab National Bank

## AJANTA TUBES LIMITED

**NOTICE**

NOTICE is hereby given that the **TWENTY FIFTH ANNUAL GENERAL MEETING** of Ajanta Tubes Limited will be held at 101, Akashdeep Building, 26A, Barakhamba Road, New Delhi — 110 001 on Thursday, the 30th December, 1999 at 11.00 A.M. for the purpose of transacting the following business.

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Statement of Accounts for the year ended 31st March, 1999 and Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Sh. S. R. Jain who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Ravinder Kapur who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration and in this behalf to consider, and if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution in terms of Section 224A of the Companies Act, 1956.

"RESOLVED that M/s B.K. Shroff & Co., Chartered Accountants be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company at a remuneration to be fixed by the Board of Directors of the Company, apart from reimbursement of actual out of pocket expenses incurred by them in performing their duties".

**SPECIAL BUSINESS :**

5. To consider and if thought fit to pass with or without modification(s) the following Resolution as an Ordinary Resolution :

"RESOLVED that pursuant to the provisions of Sections 198, 269, 309 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to such other necessary approval as may be applicable, the shareholders hereby accord their approval to the re-appointment of Shri J.R. Jain as Managing Director of the Company, whose present terms of appointment as Managing Director expires on 31st December, 1999, for a further period of 5 years commencing from 1st January, 2000 on the following remuneration:

- (i) Salary : Rs. 15,000/- per month or any other amount of increased salary which the Board of Directors may decide from time to time, subject to the overall ceiling laid down under Section 2 of Part II of Schedule XIII of the Companies Act, 1956 as amended up-to-date.
- (ii) Commission : 1% on net profits of the Company subject to a ceiling of 50% of salary per annum.
- (iii) Perquisites : Perquisites to the extent and in the manner prescribed under Schedule XIII of the Companies Act. as amended upto date.

## AJANTA TUBES LIMITED

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Further Resolved that in the event of loss or inadequacy of profits in any financial year the Managing Director will be paid the above remuneration as the minimum remuneration.

By Order of the Board  
for Ajanta Tubes Limited

NEW DELHI

Dated 27th November, 1999

J.R. JAIN  
Managing Director

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**NOTES :**

1. A Member entitled to attend and vote at a meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the company.
2. Explanatory Statement pursuant to section 173 of the Companies Act, 1956 in annexed herewith.
3. Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, the 21st December, 1999 to Thursday, 30th December, 1999 (both days inclusive).
4. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days between 11.00 A.M. and 1.00 P.M. upto the date of the Annual General Meeting.
5. Members are requested to notify any change in their address at the Registered Office of the Company.
6. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions in writing to the Company at least Ten days before the date of the meeting, so that the information required may be made available at the meeting.

**EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173 OF THE COMPANIES ACT, 1956****ITEM NO. 5**

The present Term of appointment of Shri J.R. Jain, Managing Director of the Company is expiring on 31st December, 1999. It is, therefore, proposed to re-appoint him for a further period of 5 years with effect from 1st January, 2000 on the remuneration as defined in the proposed Resolution.

Shri J.R. Jain is interested in the resolution to the extent of his re-appointment and remuneration payable to him as it concerns him. Sarvshri S.R. Jain and N.L. Jain are also interested in the Resolution to the extent of his re-appointment and remuneration payable to him being the brothers of Shri J.R. Jain. Besides them no other Director is interested in the resolution.

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**DIRECTORS' REPORT**

Dear Members,

Your Directors present the Twenty Fifth Annual Report and Audited Statement of Accounts on the operations of the Company for the year ended 31st March, 1999.

**FINANCIAL RESULTS AND OPERATIONS:**

|                                       | Current Year<br>(Rs. in Lacs) | Previous year<br>(Rs. in Lacs) |
|---------------------------------------|-------------------------------|--------------------------------|
| Gross Profit / (Loss)                 | (68.07)                       | (791.68)                       |
| Add: Depreciation                     | <u>11.54</u>                  | <u>17.70</u>                   |
|                                       | 79.61                         | 809.38                         |
| Less:                                 |                               |                                |
| Income Tax / Wealth Tax Provisions    |                               |                                |
| Written back                          | <u>-</u>                      | <u>0.01</u>                    |
|                                       | 79.61                         | 809.37                         |
| Add:                                  |                               |                                |
| Profit & Loss Account brought forward | 2619.06                       | 1809.46                        |
| Provisions for Wealth Tax             | <u>0.15</u>                   | <u>0.23</u>                    |
| Balance Carried Balance Sheet         | <u>2698.82</u>                | <u>2619.06</u>                 |

During the Year under review there was no production of Steel Pipes and Tubes, like Previous year there was no production of Steel Pipes and Tubes as well as of PVC Pipes.

The company has incurred loss of Rs. 79.61 lacs during the year under review after providing interest, of Rs. 25157/- on Term Loan of Govt. of U.P. Deptt. of Housing while no interest has been provided on cash credit accounts from bank, and depreciation. At present the company is passing through severe financial crisis and day to day expenses are not being paid / met in time. Moreover all the staff at Head Office and at Works have left the services.

Fixed Deposit with PNB which matured during the year were appropriated/adjusted by the bank without our consent against their outstanding balance in C/C Account.

**AUDITORS' REPORT**

The notes on Accounts as referred to in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

**PROGRESS IN BIFR**

The Management submitted an OTS (One Time Settlement) offer recently which was also not acceptable to PNB. Negotiations are on with them to arrive at some settlement. The company hopes that as soon as the OTS offer is finalised and agreed to by PNB, the unit will become operational again.

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**COST AUDIT AND COST ACCOUNTING RECORDS**

As there was no production during the year under review, the cost records were not maintained. Requisite steps have been taken/are being taken to seek exemption.

**DEPOSITS**

There was no depositor as on 31st March, 1999 to whom any money had become due for payment but has not paid.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUT-GO**

As required under Companies (particulars in respect of report of Board of Directors) Rules, 1988, a statement showing information relating to Research & Development, Technology absorption and foreign exchange earning and outgo is enclosed herewith and should be treated as part of Directors' Report. Form A regarding disclosure of particulars with respect to Conservation of Energy is not applicable in case of your Company due to closure of Plant w.e.f. 19.12.1997.

**Y2K COMPLIANCE STATUS**

Your Company does not have any equipment which requires Y2K compliance. Presently, there are no activities in your Company and Y2K related issue, if any, will be taken care of when any such equipment will be installed in future.

**PARTICULARS OF EMPLOYEES**

There are no employees covered by Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended till March, 1999.

**DIRECTORS**

Shri. S.R. Jain, Director retires by rotation and being eligible offers himself for re-appointment.

Shri Ravinder Kapur, Director retires by rotation and being eligible offers himself for re-appointment.

**AUDITORS**

M/s B.K. Shroff & Company, Chartered Accountants retire and offer themselves for re-appointment as Auditors of the Company at a remuneration as may be fixed by the shareholders. They have furnished a certificate of eligibility for their appointment.

**ACKNOWLEDGEMENT**

Your Directors take this opportunity to place on record their appreciation for the valuable support and co-operation extended by all concerned at various levels and look forward for an eventful future.

For and on behalf of the Board of Directors

Place : New Delhi  
Dated : 27th November, 1999

J.R. JAIN  
Managing Director  
CHAIRMAN OF THE MEETING

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**ANNEXURE 'A'**

INFORMATION AS PER SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 1999.

**A. Conservation of Energy** — Not applicable to our factory.

**B. Technology Absorption**

Efforts made in technology absorption as per Form-B of the Annexure to the Rules.

**I. Research & Development (R&D)**

1. Specific areas in which R&D is carried out by the Company.  
Development has been carried out for:
  - i) No development work could be taken up due to no production activities.
2. Benefits dervied as a result of the above R&D.
  - i) NONE
3. Future Plan of Action.
  - i) No future work is planned due to constraint of production/operation.
4. Expenditure on R&D.
 

|               |   |
|---------------|---|
| i) Capital    | — |
| ii) Recurring | — |
| Total         | — |

**II. Technology Absorption, adoption and innovation.**

1. Efforts in brief made towards technology Absorption and Innovation None
2. Benefits derived as a result of the above efforts None
3. In case of imported Technology None

**C. Foreign Exchange Earnings and outgo.**

1. Activities relating to exports, initiative taken to increase exports development to new export markets for products and services and export plans.

There was no production during the year under review. Similary there were no activities relating to exports. Exports are likely to take place after production / business operations start again.

- |                           |              |        |
|---------------------------|--------------|--------|
| 2. Total Foreign Exchange | Used         | Earned |
| Used and Earned           | Rs. 2,27,841 | —      |
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